



Conference Forum



**Wespath**

BENEFITS | INVESTMENTS

# Annual Conference Risk Dashboard

# Objective and Wespath's Role

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As a fiduciary, Wespath protects plan participants and plan sponsors by anticipating, assessing and managing potential risks to plan funding.

This is achieved by setting clear standards for data collection and reporting, educating plan sponsors about plan status, and establishing appropriate funding rules.

# Pension Risk

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Two key risks we worry about:



## Plan Sponsors

“Am I going to be required to make unexpected contributions?”

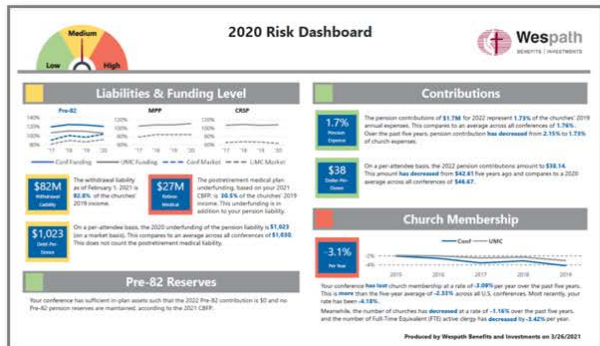


## Participants

“Am I going to lose part of my benefit?”

Wespath needs to ensure that all stakeholders are aware of the level of risk they are exposed to.

# Risk Monitoring Tools Examples



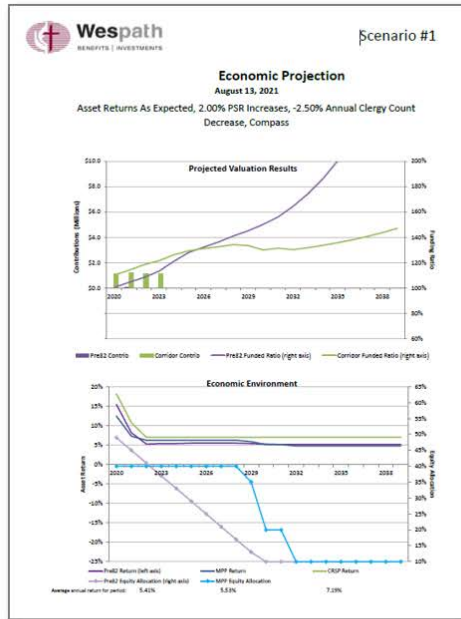
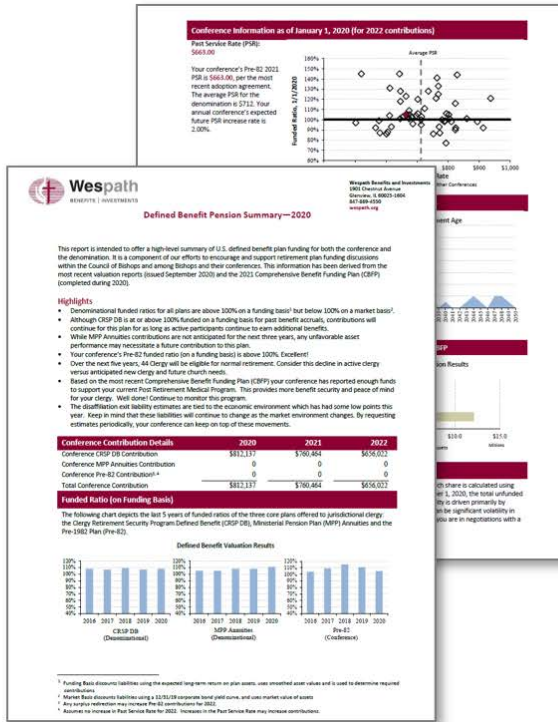
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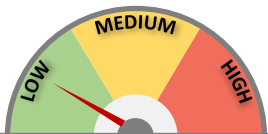
**Opinion on ABC Conference 2021 Comprehensive Benefit Funding Plan**

The funding plan meets the standards for a Pre-82 funding plan as established by Wespath Benefits and Investments and the favorable opinion requirements for a funding plan. Note: The statement above and any written opinion provided by Wespath do not imply any representation as to the ability or probability of the applicable plan sponsor to fulfill the obligations included in the funding plan.

*Wespath Benefits and Investments*

Wespath Benefits and Investments  
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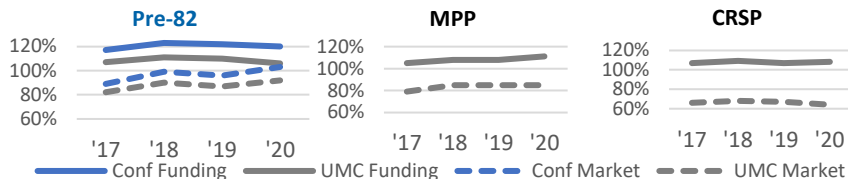




# 2020 Risk Dashboard

## ABC Annual Conference

### LIABILITIES & FUNDING LEVEL



**\$41M**  
WITHDRAWAL  
LIABILITY

The withdrawal liability as of February 1, 2021 is **40.3%** of the churches' 2019 income.

**\$2M**  
RETIREE  
MEDICAL

The postretirement medical plan underfunding, based on your 2021 CBFP, is **1.9%** of the churches' 2019 income. This underfunding is in addition to your pension liability.

**\$586**  
DEBT-PER-  
DONOR

On a per-attende basis, the 2020 underfunding of the pension liability (on a market basis) is **\$586**. This compares to an average across all conferences of **\$1,030**. This does not count the postretirement medical liability.

### PRE-82 RESERVES

The **ABC** Annual Conference has sufficient in-plan assets such that the 2022 Pre-82 contribution is \$0 but does maintain a Pre-82 pension reserve of **\$2** million according to the 2021 CBFP.

### CONTRIBUTIONS

**1.1%**  
PENSION  
EXPENSE

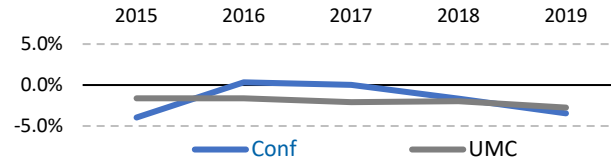
The pension contributions of **\$1.2** million for 2022 represent **1.1%** of the churches' 2019 annual expenses. This compares to an average across all conferences of **1.8%**. Over the past five years, the pension contribution **has decreased** from **1.3%** to **1.1%** of church expenses.

**\$30**  
DOLLAR-PER-  
DONOR

On a per-attende basis, the 2022 pension contributions amount to **\$30**. This amount **has decreased** from **\$35** five years ago and compares to a 2020 average across all conferences of **\$47**.

### CHURCH MEMBERSHIP

**-1.8%**  
PER YEAR



The **ABC** Annual Conference has **lost** church membership at a rate of **-1.8%** per year over the past five years. This is **less** than the five-year average of **-2.3%** across all U.S. conferences. Most recently, your rate has been **-3.5%**.

Meanwhile, the number of churches has **decreased** at a rate of **-1.4%** over the past five years, and the number of Full-Time Equivalent (FTE) active clergy has **decreased** by **-2.2%** per year.

# Annual Conference Feedback

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Overall feedback is positive and led to conversations around areas of concern for conferences



Most common question: Does this include other conference assets not at Wespath?



Follow up conversations focus on:

- Better understanding of exit liabilities
- On-going conversations about post-retiree medical
- Economic projections

# 2021 Risk Dashboards

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- Expected to be issued in Q1/2022
- Very similar to 2020 risk dashboard
- Two changes

1

**More robust reflection of conference's reserves**

Expect separate outreach to gather information not currently in CBFP

2

**Consistent use of church attendee statistic**

Drop use of overall membership



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